

To Our Shareholders

The Board of Directors of Oversea-Chinese Banking Corporation Limited (“OCBC”) reports the following:

Unaudited Financial Results for the Half Year Ended 30 June 2023

Details of the financial results are in the accompanying Unaudited Condensed Interim Financial Statements.

Ordinary Dividend

An interim tax-exempt dividend of 40 cents (1H22: 28 cents) per share has been declared for the first half year 2023 (“1H23”). The interim dividend payout will amount to an estimated S\$1,798 million (2022: S\$1,258 million) or approximately 50% of the Group’s net profit after tax of S\$3.59 billion for 1H23.

Closure of Books

The record date is 15 August 2023. Please refer to the separate announcement titled “Notice of Books Closure and Payment of Interim One-Tier Tax Exempt Dividend on Ordinary Shares for the Financial Year Ending 31 December 2023” released by the Bank today.

Scrip Dividend Scheme

The Oversea-Chinese Banking Corporation Limited Scrip Dividend Scheme, which was approved by the Shareholders of the Bank at the Extraordinary General Meeting on 8 June 1996, will not be applicable to the interim dividend.

Peter Yeoh
Secretary

Singapore, 4 August 2023

More details on the results are available on the Bank’s website at www.ocbc.com

**Oversea-Chinese Banking Corporation Limited
and its Subsidiaries**

**Unaudited Condensed Interim Financial Statements
For the Half Year ended 30 June 2023**



**Incorporated in Singapore
Company Registration Number: 193200032W**

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Attachment: Confirmation by the Board

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the half year ended 30 June 2023

S\$ million	Note	GROUP	
		1H 2023	1H 2022 (Restated)
Interest income		9,846	4,164
Interest expense		(5,119)	(961)
Net interest income	3	4,727	3,203
Insurance service results from life insurance	4	358	622
Net investment and finance income/(expense) from life insurance ⁽¹⁾		128	(181)
Insurance service results from general insurance		14	13
Fees and commissions (net)	5	883	999
Dividends		69	57
Net trading income		513	492
Other income	6	113	18
Non-interest income		2,078	2,020
Total income		6,805	5,223
Staff costs		(1,753)	(1,613)
Other operating expenses	7	(820)	(845)
Total operating expenses		(2,573)	(2,458)
Operating profit before allowances and amortisation		4,232	2,765
Amortisation of intangible assets		(51)	(52)
Allowances for loans and other assets	8	(362)	(116)
Operating profit after allowances and amortisation		3,819	2,597
Share of results of associates, net of tax		510	499
Profit before income tax		4,329	3,096
Income tax expense		(662)	(454)
Profit for the period		3,667	2,642
Profit attributable to:			
Equity holders of the Bank		3,589	2,592
Non-controlling interests		78	50
		3,667	2,642
Earnings per share (S\$)			
Basic		0.79	0.57
Diluted		0.79	0.57

⁽¹⁾ Comprising net investment income/(loss) of S\$2,625 million (1H 2022: (S\$5,492) million) and insurance finance (expense)/income of (S\$2,497) million (1H 2022: S\$5,311 million).

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 30 June 2023

S\$ million	GROUP	
	1H 2023	1H 2022 (Restated)
Profit for the period	3,667	2,642
Other comprehensive income:		
Items that may be reclassified subsequently to income statement:		
Financial assets, at FVOCI ⁽¹⁾		
Fair value gains/(losses) for the period	231	(2,125)
Reclassification of (gains)/losses to income statement		
– on disposal	(22)	126
– on impairment	8	5
Tax on net movements	(51)	147
Cash flow hedges	(22)	(4)
Currency translation on foreign operations	(110)	(41)
Other comprehensive income of associates	(101)	(115)
Net insurance finance (expense)/income	(226)	552
Items that will not be reclassified subsequently to income statement:		
Currency translation on foreign operations attributable to non-controlling interests	36	(10)
Equity instruments, at FVOCI ⁽¹⁾ , net change in fair value	36	(203)
Defined benefit plans remeasurements	2	1
Own credit	(#)	1
Total other comprehensive income, net of tax	(219)	(1,666)
Total comprehensive income for the period, net of tax	3,448	976
Total comprehensive income attributable to:		
Equity holders of the Bank	3,331	1,003
Non-controlling interests	117	(27)
	3,448	976

⁽¹⁾ Fair value through other comprehensive income.

⁽²⁾ # represents amounts less than S\$0.5 million.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED BALANCE SHEETS

As at 30 June 2023

S\$ million	Note	GROUP		BANK	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Restated)			
EQUITY					
Attributable to equity holders of the Bank					
Share capital	10	18,037	18,048	18,037	18,048
Other equity instruments		1,696	1,696	1,696	1,696
Capital reserves		833	792	564	560
Fair value reserves		(920)	(1,190)	(686)	(674)
Revenue reserves		32,958	31,733	17,914	17,286
		52,604	51,079	37,525	36,916
Non-controlling interests		1,316	1,305	–	–
Total equity		53,920	52,384	37,525	36,916
LIABILITIES					
Deposits of non-bank customers	11	372,462	350,081	245,890	223,310
Deposits and balances of banks	11	13,795	10,046	10,883	7,691
Due to subsidiaries		–	–	37,405	36,522
Due to associates		231	236	187	197
Trading portfolio liabilities		292	212	292	212
Derivative payables		18,851	16,048	16,098	14,300
Other liabilities		9,536	8,382	3,533	2,844
Current tax payables		994	1,026	635	566
Deferred tax liabilities		287	239	80	125
Debt issued	12	15,491	21,938	14,802	21,294
		431,939	408,208	329,805	307,061
Life insurance contract liabilities and other liabilities		98,581	96,591	–	–
Total liabilities		530,520	504,799	329,805	307,061
Total equity and liabilities		584,440	557,183	367,330	343,977
ASSETS					
Cash and placements with central banks		35,546	34,966	30,044	27,812
Singapore government treasury bills and securities		18,916	17,096	17,785	15,889
Other government treasury bills and securities		25,566	22,271	11,026	8,165
Placements with and loans to banks		39,321	30,244	27,976	18,680
Loans to customers	13	293,532	291,467	206,207	201,110
Debt and equity securities		32,810	28,010	20,241	16,621
Assets held for sale		7	1	1	–
Derivative receivables		18,743	15,605	15,953	13,742
Other assets		6,950	6,532	2,980	2,538
Deferred tax assets		720	722	132	104
Associates		6,623	6,340	2,228	2,228
Subsidiaries		–	–	29,592	33,923
Property, plant and equipment		3,493	3,483	822	818
Investment property		749	763	476	480
Goodwill and other intangible assets		4,614	4,643	1,867	1,867
		487,590	462,143	367,330	343,977
Life insurance fund investment securities and other assets ⁽¹⁾		96,850	95,040	–	–
Total assets		584,440	557,183	367,330	343,977
Net asset value per ordinary share – S\$		11.33	10.99	7.97	7.83
OFF-BALANCE SHEET ITEMS					
Contingent liabilities		15,895	16,749	11,964	12,247
Commitments		191,476	184,013	117,719	109,405
Derivative financial instruments		1,424,892	1,106,931	1,150,648	879,077

⁽¹⁾ Including securities of S\$85,604 million (31 December 2022: S\$83,445 million) and reinsurance assets of S\$860 million (31 December 2022: S\$852 million).

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED STATEMENT OF CHANGES IN EQUITY - GROUP

For the half year ended 30 June 2023

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital and other equity	Capital reserves ⁽¹⁾	Fair value reserves	Revenue reserves	Total		
Balance at 1 January 2023	19,744	792	(1,006)	33,557	53,087	1,581	54,668
Effect of adopting SFRS(I)17	-	-	(184)	(1,824)	(2,008)	(276)	(2,284)
Adjusted balance at 1 January 2023	19,744	792	(1,190)	31,733	51,079	1,305	52,384
Total comprehensive income for the financial period							
Profit for the financial period	-	-	-	3,589	3,589	78	3,667
Other comprehensive income							
Items that may be reclassified subsequently to income statement:							
Financial assets, at FVOCI							
Fair value gains for the financial period	-	-	222	-	222	9	231
Reclassification of (gains)/losses to income statement							
- on disposal	-	-	(22)	-	(22)	(#)	(22)
- on impairment	-	-	8	-	8	(#)	8
Tax on net movements	-	-	(49)	-	(49)	(2)	(51)
Cash flow hedges	-	-	-	(22)	(22)	-	(22)
Currency translation on foreign operations	-	-	-	(110)	(110)	-	(110)
Other comprehensive income of associates	-	-	109	(210)	(101)	-	(101)
Net insurance finance expense	-	-	-	(199)	(199)	(27)	(226)
Items that will not be reclassified subsequently to income statement:							
Currency translation on foreign operations attributable to non-controlling interests	-	-	-	-	-	36	36
Equity instruments, at FVOCI, net change in fair value	-	-	2	11	13	23	36
Defined benefit plans remeasurements	-	-	-	2	2	#	2
Own credit	-	-	-	(#)	(#)	-	(#)
Total other comprehensive income, net of tax	-	-	270	(528)	(258)	39	(219)
Total comprehensive income for the financial period	-	-	270	3,061	3,331	117	3,448
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	-	(#)	-	#	-	-	-
Buy-back of shares held as treasury shares	(115)	-	-	-	(115)	-	(115)
Dividends and distributions	-	-	-	(1,833)	(1,833)	(69)	(1,902)
Share-based payments for staff costs	-	4	-	-	4	-	4
Shares issued to non-executive directors	#	-	-	-	#	-	#
Shares transferred to DSP Trust	-	(8)	-	-	(8)	-	(8)
Shares vested under DSP Scheme	-	113	-	-	113	-	113
Treasury shares transferred/sold	104	(68)	-	-	36	-	36
Total contributions by and distributions to owners	(11)	41	-	(1,833)	(1,803)	(69)	(1,872)
Change in interest in subsidiary that does not result in loss of control	-	-	-	(3)	(3)	(37)	(40)
Total change in interest in subsidiary	-	-	-	(3)	(3)	(37)	(40)
Balance at 30 June 2023	19,733	833	(920)	32,958	52,604	1,316	53,920
Included in the balances:							
Share of reserves of associates	-	-	196	3,551	3,747	-	3,747

⁽¹⁾ Including regulatory loss allowance reserve of S\$455 million at 1 January 2023 and 30 June 2023.

⁽²⁾ # represents amounts less than S\$0.5 million.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED STATEMENT OF CHANGES IN EQUITY - GROUP

For the half year ended 30 June 2023

S\$ million	Attributable to equity holders of the Bank				Total	Non-controlling interests	Total equity
	Share capital and other equity	Capital reserves ⁽¹⁾	Fair value reserves	Revenue reserves			
Balance at 1 January 2022	19,238	782	848	31,795	52,663	1,675	54,338
Effect of adopting SFRS(I) 17	–	–	3	(1,722)	(1,719)	(236)	(1,955)
Adjusted balance at 1 January 2022	19,238	782	851	30,073	50,944	1,439	52,383
Total comprehensive income for the financial period							
Profit for the financial period	–	–	–	2,592	2,592	50	2,642
Other comprehensive income							
Items that may be reclassified subsequently to income statement:							
Financial assets, at FVOCI							
Fair value losses for the financial period	–	–	(1,996)	–	(1,996)	(129)	(2,125)
Reclassification of (gains)/losses to income statement							
- on disposal	–	–	118	–	118	8	126
- on impairment	–	–	5	–	5	#	5
Tax on net movements	–	–	138	–	138	9	147
Cash flow hedges	–	–	–	(4)	(4)	–	(4)
Currency translation on foreign operations	–	–	–	(41)	(41)	–	(41)
Other comprehensive income of associates	–	–	11	(126)	(115)	–	(115)
Net insurance finance income	–	–	–	486	486	66	552
Items that will not be reclassified subsequently to income statement:							
Currency translation on foreign operations attributable to non-controlling interests	–	–	–	–	–	(10)	(10)
Equity instruments, at FVOCI, net change in fair value	–	–	(213)	31	(182)	(21)	(203)
Defined benefit plans remeasurements	–	–	–	1	1	–	1
Own credit	–	–	–	1	1	–	1
Total other comprehensive income, net of tax	–	–	(1,937)	348	(1,589)	(77)	(1,666)
Total comprehensive income for the financial period	–	–	(1,937)	2,940	1,003	(27)	976
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	(#)	–	#	–	–	–
Perpetual capital securities issued	499	–	–	–	499	–	499
Buy-back of shares held as treasury shares	(153)	–	–	–	(153)	–	(153)
Dividends and distributions	–	–	–	(1,283)	(1,283)	(39)	(1,322)
DSP reserve from dividends of unvested shares	–	–	–	6	6	–	6
Share-based payments for staff costs	–	5	–	–	5	–	5
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares transferred to DSP Trust	–	(6)	–	–	(6)	–	(6)
Shares vested under DSP Scheme	–	104	–	–	104	–	104
Treasury shares transferred/sold	168	(101)	–	–	67	–	67
Total contributions by and distributions to owners	515	2	–	(1,277)	(760)	(39)	(799)
Balance at 30 June 2022	19,753	784	(1,086)	31,736	51,187	1,373	52,560
Included in the balances:							
Share of reserves of associates	–	–	184	3,486	3,670	–	3,670

⁽¹⁾ Including regulatory loss allowance reserve of S\$444 million at 1 January 2022 and 30 June 2022.

⁽²⁾ # represents amounts less than S\$0.5 million.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED STATEMENT OF CHANGES IN EQUITY - BANK

For the half year ended 30 June 2023

S\$ million	Share capital and other equity	Capital reserves ⁽¹⁾	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2023	19,744	560	(674)	17,286	36,916
Profit for the financial period	–	–	–	2,512	2,512
Other comprehensive income	–	–	(12)	(51)	(63)
Total comprehensive income for the period	–	–	(12)	2,461	2,449
Buy-back of shares held as treasury shares	(115)	–	–	–	(115)
Dividends and distributions	–	–	–	(1,833)	(1,833)
Share-based payments for staff costs	–	4	–	–	4
Shares issued to non-executive directors	#	–	–	–	#
Treasury shares transferred/sold	104	–	–	–	104
Balance at 30 June 2023	19,733	564	(686)	17,914	37,525
Balance at 1 January 2022	19,238	559	(25)	15,825	35,597
Profit for the financial period	–	–	–	2,033	2,033
Other comprehensive income	–	–	(738)	(28)	(766)
Total comprehensive income for the period	–	–	(738)	2,005	1,267
Perpetual capital securities issued	499	–	–	–	499
Buy-back of shares held as treasury shares	(153)	–	–	–	(153)
Dividends and distributions	–	–	–	(1,283)	(1,283)
DSP reserve from dividends of unvested shares	–	–	–	6	6
Share-based payments for staff costs	–	5	–	–	5
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	168	–	–	–	168
Balance at 30 June 2022	19,753	564	(763)	16,553	36,107

⁽¹⁾ Including regulatory loss allowance reserve of S\$444 million at 1 January 2023, 1 January 2022, 30 June 2023 and 30 June 2022.

⁽²⁾ # represents amounts less than S\$0.5 million.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the half year ended 30 June 2023

S\$ million	1H 2023	1H 2022 (Restated)
Cash flows from operating activities		
Profit before income tax	4,329	3,096
Adjustments for non-cash items:		
Allowances for loans and other assets	362	116
Amortisation of intangible assets	51	52
Change in hedging transactions, FVTPL ⁽¹⁾ securities and debt issued	(109)	152
Depreciation of property and equipment and interest expense on lease liabilities	215	208
Net (gain)/loss on disposal of government, debt and equity securities	(38)	78
Net gain on disposal of property and equipment	(19)	(49)
Share-based costs	36	43
Share of results of associates, net of tax	(510)	(499)
Operating profit before change in operating assets and liabilities	4,317	3,197
Change in operating assets and liabilities:		
Deposits of non-bank customers	22,376	6,307
Deposits and balances of banks	3,749	4,173
Derivative payables and other liabilities	4,395	6,205
Trading portfolio liabilities	79	122
Restricted balances with central banks	(529)	98
Government securities and treasury bills	(5,100)	631
FVTPL securities	(1,012)	474
Placements with and loans to banks	(9,077)	(669)
Loans to customers	(2,420)	(8,405)
Derivative receivables and other assets	(4,468)	(4,927)
Net change in other assets and liabilities of life insurance fund	1,544	286
Cash provided by operating activities	13,854	7,492
Income tax paid	(670)	(530)
Net cash provided by operating activities	13,184	6,962
Cash flows from investing activities		
Dividends from associates	2	4
Purchases of debt and equity securities	(11,115)	(5,537)
Purchases of life insurance fund investment securities	(22,377)	(16,630)
Purchases of property and equipment	(197)	(189)
Proceeds from disposal of debt and equity securities	7,346	7,376
Proceeds from disposal of life insurance fund investment securities	21,437	16,522
Proceeds from disposal of property and equipment	21	67
Net cash (used in)/provided by investing activities	(4,883)	1,613
Cash flows from financing activities		
Acquisition of non-controlling interests	(40)	–
Buy-back of shares for holding as treasury shares	(115)	(153)
Dividends and distributions paid	(1,902)	(1,322)
Net redemption of other debt issued	(6,522)	(2,930)
Repayment of lease liabilities	(39)	(43)
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	36	67
Proceeds from subordinated note issued	–	1,042
Net proceeds from issue of perpetual capital securities	–	499
Net cash used in financing activities	(8,582)	(2,840)
Net change in cash and cash equivalents	(281)	5,735
Net currency translation adjustments	332	(235)
Cash and cash equivalents at 1 January	29,984	22,710
Cash and cash equivalents at 30 June	30,035	28,210

⁽¹⁾ Fair value through profit or loss.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

These notes form an integral part of the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were authorised by the Board of Directors on 3 August 2023.

1. General

Oversea-Chinese Banking Corporation Limited (the Bank) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of the Bank's registered office is 63 Chulia Street, #10-00 OCBC Centre East, Singapore 049514.

The unaudited condensed interim financial statements relate to the Bank and its subsidiaries (together referred to as the Group) and the Group's interests in associates. The Group is principally engaged in the business of banking, life insurance, general insurance, asset management, investment holding, futures and stockbroking.

2. Basis of preparation

2.1 Statement of compliance

The unaudited condensed interim financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 Interim Financial Reporting, and do not include all of the information required for full annual financial statements. These unaudited condensed interim financial statements are to be read in conjunction with the financial statements as at and for the year ended 31 December 2022.

2.2 Basis of presentation

The unaudited condensed interim financial statements are presented in Singapore Dollar, rounded to the nearest million unless otherwise stated. # represents amounts less than S\$0.5 million. The unaudited condensed interim financial statements have been prepared under the historical cost convention, except as disclosed in the financial statements as at and for the year ended 31 December 2022.

2.3 Use of estimates and judgements

The preparation of unaudited condensed interim financial statements in conformity with SFRS(I) requires management to exercise its judgement, use estimates and make assumptions in the application of accounting policies on the reported amounts of assets, liabilities, revenues and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied in the financial statements as at and for the year ended 31 December 2022, except for the following additions.

Impairment of financial assets

In determining whether the credit risk of the Group's financial exposures has increased significantly since initial recognition, the Group considers quantitative and qualitative information such as the Group's historical credit assessment experience and available forward-looking information. Expected credit losses (ECL) estimates are based on probability-weighted forward-looking economic scenarios. The parameters used in ECL measurement (probability of default, loss given default and exposure at default) incorporates forward-looking information. The determination of the forward-looking economic scenarios and incorporation of forward-looking information into ECL measurement requires management to exercise judgement based on its assessment of current macroeconomic conditions.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

2. Basis of preparation (continued)

2.3 Use of estimates and judgements (continued)

Impairment of financial assets (continued)

Allowances for non-credit-impaired loans to customers

As of 30 June 2023, the forward-looking scenarios used in the ECL model have been updated from those as of 31 December 2022, which reflects the latest macroeconomic view. Additionally, post-model adjustments were made to address events that are not incorporated in the baseline ECL. These post-model adjustments were reviewed and approved in accordance with the Group's ECL framework, and include:

- Post-model adjustments were made to more accurately reflect the continued weakness of certain industries and segments due to geopolitical events.
- Stages 1 and 2 ECL are modelled based on a central baseline forecast with its upper and lower bound to represent forecasting ranges. However, the central forecast with its upper/lower range may not factor in significant emerging risks and macroeconomic events that are expected but uncertain in terms of impact and timing. Such events have the potential to trigger a recession but are not adequately captured in existing forecasts. Therefore, the Group included an additional scenario in the computation of ECL. As such events are global in nature, these are modelled as a top-down post-model adjustment.

As of 30 June 2023, the Group has assessed that the post-model adjustments made as of 31 December 2022 remain applicable but updated for the latest relevant information.

Sensitivity of ECL

ECL is estimated to increase by S\$1,104 million (30 June 2022: S\$1,191 million) should all the exposures in Stage 1 (12-month ECL) move to Stage 2 (lifetime ECL).

Allowances for credit-impaired loans to customers

In respect of credit-impaired exposures, management judgement and estimation are applied in, amongst others, identifying impaired exposures, estimating the related recoverable cash flows and where applicable, determining collateral values and timing of realisation. Judgements and assumptions in respect of these matters have been updated to reflect the latest relevant information as of 30 June 2023.

The Group's allowances for credit-impaired loans to customers are disclosed in Note 13.

Impairment of goodwill and other intangible assets

The recoverable amount of goodwill and other intangible assets are determined based on the present value of estimated future cash flows expected to arise from the cash generating units' continuing operations. In light of current macroeconomic conditions, management reassessed the assumptions applied in estimating the future cash flows, including growth rates and discount rates used in computing the recoverable amount, and determined that no impairment should be recognised during the year.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

2. Basis of preparation (continued)**2.4 Changes in accounting policies**

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2023:

SFRS(I)	Title
SFRS(I) 17	<i>Insurance Contracts</i>
Various	<i>Amendments to SFRS(I) 17</i>
Various	<i>Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies</i>
SFRS(I) 1-8 (Amendments)	<i>Definition of Accounting Estimates</i>
SFRS(I) 1-12 (Amendments), SFRS(I) 1 (Amendments)	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

The accounting policies applied by the Group in the unaudited condensed interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2022, except for the new/revised financial reporting standards and interpretations as set out above. The initial application of the above standards (including their consequential amendments) and interpretations did not have any material impact on the Group's condensed interim financial statements, except for the adoption of SFRS(I) 17 Insurance Contracts.

The Group has applied SFRS(I) 17, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated comparative information for the financial year 2022 applying the transitional provisions.

A. SFRS(I) 17 Insurance Contracts

SFRS(I) 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts held by Great Eastern Holding Limited and its subsidiaries (collectively GEH Group). It introduces a model that measures groups of contracts based on GEH Group's estimates of the present value of future cash flows that are expected to arise as GEH Group fulfils contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin (CSM).

The nature and effects of the material changes in the Group's accounting policies under SFRS(I) 17 Insurance Contracts are summarised in the Group's financial statements as at and for the year ended 31 December 2022.

B. Transition

GEH Group has restated the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.

Changes in accounting policies resulting from the adoption of SFRS(I) 17 were applied using the fully retrospective approach to the extent practicable. The fully retrospective approach was applied to insurance contracts that were originated less than one year prior to the effective date.

Where it was not possible to obtain all required historical data without undue cost and effort, the modified retrospective approach or fair value approach was applied. The modified retrospective approach was applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date. The fair value approach was applied to the remaining insurance contracts in force at transition date.

On transition date, at 1 January 2022, GEH Group:

- Identified, recognised and measured each group of insurance and reinsurance contracts as if SFRS(I) 17 had always been applied unless impracticable;
- Derecognised previously reported balances that would not have existed if SFRS(I) 17 had always been applied;
- Elected the option introduced by SFRS(I) 17 to redesignate certain financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities, and applied the classifications retrospectively; and
- Recognised any resulting net difference in equity.

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2. Basis of preparation (continued)

2.4 Changes in accounting policies (continued)

The effects from applying SFRS(I) 17 resulted in a reduction of the Group's equity attributable to equity holders of S\$1,719 million, net of tax, as at 1 January 2022. The net transition impact to equity consisted of the following effects.

Measurement adjustments	Description of impact	
	Contracts not measured under Premium Allocation Approach (PAA) ⁽¹⁾	Contracts measured under PAA
CSM	A CSM liability will be recognised for the unearned profit for insurance contracts.	Not applicable
Contract Measurement	<p>Other components of insurance contracts are also remeasured:</p> <ul style="list-style-type: none"> • Risk adjustment: Recognition of a separate risk adjustment for non-financial risk which is lower than the risk margin under SFRS(I) 4 as a result of recalibration of the measurement techniques to conform with the SFRS(I) 17 requirements. • Discount rates: Changes in the discount rates because of the SFRS(I) 17 requirements to measure future cash flows using current discount rates. • Deferred acquisition costs: Under SFRS(I) 17, GEH Group now recognises separately eligible insurance acquisition cash flows when they are incurred. • Other changes: Include the changes to the provisions for future taxes, and other changes related to the application of SFRS(I) 17. 	<p>Other components of insurance contracts are remeasured:</p> <ul style="list-style-type: none"> • Risk adjustment: The risk adjustment is now measured at the 85th percentile under SFRS(I) 17 as compared to the provision for adverse deviation used under SFRS(I) 4 which was measured at the 75th percentile. • Discounting future cash flows: Under SFRS(I) 17, GEH Group discounts the future cash flows when measuring liabilities for incurred claims. GEH Group previously did not discount such future cash flows for non-life contracts. • Deferred acquisition costs: Under SFRS(I) 17, GEH Group now recognises separately eligible insurance acquisition cash flows when they are incurred.
Insurance Finance Reserve	Under SFRS(I) 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance or expenses in profit or loss. GEH Group has elected the option to include these changes for certain portfolios measured under General Measurement Model (GMM) under insurance finance reserve in equity.	Not applicable

⁽¹⁾ The PAA is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. This approach is used for non-life insurance contracts, because each of these contracts have a coverage period of one year or less, or meets the eligibility criteria.

Besides the impact to equity upon transition, there are also other changes in the balance sheet mainly resulting from insurance related receivables and payables now included within fulfilment cash flows instead of being presented separately.

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2. Basis of preparation (continued)

2.4 Changes in accounting policies (continued)

Redesignation of Financial Assets and Classification Overlay

SFRS(I) 17 allows for entities that had applied SFRS(I) 9 to annual periods before the initial application of SFRS(I) 17, to redesignate its financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities. A transition option was elected to apply a classification overlay for the financial assets as if the classification and measurement requirements of SFRS(I) 9 had been applied to that financial asset during the comparative period. At the transition date, S\$2,046 million of debt instruments which were previously designated at FVTPL was reclassified to FVOCI.

There are a number of new/revised financial reporting standards in issue but not yet effective. They are not expected to have a significant impact on the Group's financial statements when adopted.

3. Net interest income

S\$ million	GROUP	
	1H 2023	1H 2022
Interest income		
Loans to customers	7,117	3,262
Placements with and loans to banks	1,603	315
Other interest-earning assets	1,126	587
	9,846	4,164
Interest expense		
Deposits of non-bank customers	(4,515)	(790)
Deposits and balances of banks	(196)	(54)
Other borrowings	(408)	(117)
	(5,119)	(961)
Net interest income	4,727	3,203

4. Insurance service results from life insurance

S\$ million	GROUP	
	1H 2023	1H 2022
Insurance revenue	2,724	2,609
Insurance service expense	(2,354)	(2,045)
Net (expense)/income from reinsurance contracts held	(12)	58
Insurance service results from life insurance	358	622

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5. Fees and commissions (net)

S\$ million	GROUP	
	1H 2023	1H 2022
Gross fee and commission income		
Brokerage	39	59
Credit card	174	158
Fund management	55	62
Guarantees	7	8
Investment banking	53	51
Loan-related	98	86
Service charges	46	40
Trade-related and remittances	135	148
Wealth management ⁽¹⁾	438	537
Others	26	25
	1,071	1,174
Fee and commission expense	(188)	(175)
Fees and commissions (net)	883	999

⁽¹⁾ Includes trust and custodian fees.

6. Other income

S\$ million	GROUP	
	1H 2023	1H 2022
Disposal of investment securities	38	(78)
Disposal of properties	19	49
Rental and property-related income	43	36
Others	13	11
Other income	113	18

7. Other operating expenses

S\$ million	GROUP	
	1H 2023	1H 2022
		(Restated)
Property and equipment		
Depreciation	212	206
Maintenance and rental	78	74
Others	162	160
	452	440
Other operating expenses	368	405
Total other operating expenses	820	845

8. Allowances for loans and other assets

S\$ million	GROUP	
	1H 2023	1H 2022
Allowances/(write-back):		
Impaired loans	93	32
Impaired other assets	15	5
Non-impaired loans	256	77
Non-impaired other assets	(2)	2
Allowances for loans and other assets	362	116

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9. Dividends/distributions

S\$ million	GROUP	
	1H 2023	1H 2022
Ordinary dividends:		
2021 final tax-exempt dividend of 28 cents	–	1,260
2022 final tax-exempt dividend of 40 cents	1,800	–
Distributions for other equity instruments:		
4.0% perpetual capital securities	20	20
3.0% perpetual capital securities	3	3
3.9% perpetual capital securities	10	–
Total dividends and distributions	1,833	1,283

10. Share capital

Shares (million)	GROUP AND BANK	
	30 Jun 2023	31 Dec 2022
Issued ordinary shares		
At 1 January	4,515	4,515
Shares issued to non-executive directors	#	#
At 30 June/ 31 December	4,515	4,515
Treasury shares		
At 1 January	(20)	(23)
Share buyback	(9)	(21)
Share Option Scheme	3	6
Share Purchase Plan	1	10
Treasury shares transferred to DSP Trust	5	8
At 30 June/ 31 December	(20)	(20)
Total issued ordinary shares excluding treasury shares	4,495	4,495
Issued share capital (S\$ million)	18,037	18,048

⁽¹⁾ # represents less than 500,000 shares.

Pursuant to the share purchase mandate approved at the annual general meeting held on 25 April 2023, the Bank purchased a total of 9 million ordinary shares in the half year ended 30 June 2023. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$11.94 to S\$12.90 per share and the total consideration paid was S\$115 million (including transaction costs).

As at 30 June 2022, the number of treasury shares was 20 million and the total number of issued ordinary shares excluding treasury shares was 4,495 million.

As at 30 June 2023, the number of options outstanding under the OCBC Share Option Scheme 2001 was 16 million (30 June 2022: 21 million) and the number of acquisition rights outstanding under the OCBC Employee Share Purchase Plan was 13 million (30 June 2022: 13 million).

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11. Deposits and balances of non-bank customers and banks

S\$ million	GROUP	
	30 Jun 2023	31 Dec 2022
Deposits of non-bank customers		
Fixed deposits	164,526	133,415
Savings deposits	66,258	69,036
Current accounts	102,610	112,245
Others	39,068	35,385
	372,462	350,081
Deposits and balances of banks	13,795	10,046
Total deposits	386,257	360,127

12. Debt issued

S\$ million	GROUP	
	30 Jun 2023	31 Dec 2022
Unsecured		
Subordinated debt	3,521	3,484
Fixed and floating rate notes	4,065	3,202
Commercial papers	4,197	10,759
Structured notes	3,021	2,713
Secured		
Covered bonds	687	1,780
	15,491	21,938
Debt issued by maturity		
Within one year	8,436	14,163
Over one year	7,055	7,775
	15,491	21,938

13. Loans to customers

S\$ million	GROUP	
	30 Jun 2023	31 Dec 2022
Gross loans	297,356	294,980
Allowances		
Impaired loans	(1,352)	(1,308)
Non-impaired loans	(2,472)	(2,205)
Net loans	293,532	291,467

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14. Segment information

14.1 Business segments

S\$ million	Global Consumer/ Private Banking	Global Wholesale Banking	Global Treasury and Markets	Insurance	Others	Group
Half year ended 30 June 2023						
Net interest income	1,698	2,608	49	66	306	4,727
Non-interest income	794	479	151	616	38	2,078
Total income	2,492	3,087	200	682	344	6,805
Operating profit before allowances and amortisation	1,152	2,290	38	562	190	4,232
Amortisation of intangible assets	(7)	-	-	(24)	(20)	(51)
Allowances for loans and other assets	(10)	(146)	#	(14)	(192)	(362)
Operating profit after allowances and amortisation	1,135	2,144	38	524	(22)	3,819
Share of results of associates, net of tax	-	-	-	-	510	510
Profit before income tax	1,135	2,144	38	524	488	4,329
Other information:						
Capital expenditure	71	8	#	37	141	257
Depreciation	42	6	1	4	159	212
Half year ended 30 June 2022 (Restated)						
Net interest income	972	1,602	450	52	127	3,203
Non-interest income	915	482	196	399	28	2,020
Total income	1,887	2,084	646	451	155	5,223
Operating profit before allowances and amortisation	631	1,353	469	283	29	2,765
Amortisation of intangible assets	(7)	-	-	(24)	(21)	(52)
Allowances for loans and other assets	41	(91)	(2)	(5)	(59)	(116)
Operating profit after allowances and amortisation	665	1,262	467	254	(51)	2,597
Share of results of associates, net of tax	-	-	-	-	499	499
Profit before income tax	665	1,262	467	254	448	3,096
Other information:						
Capital expenditure	68	3	1	31	129	232
Depreciation	42	6	1	4	153	206

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14. Segment information (continued)

14.1 Business segments (continued)

S\$ million	Global Consumer/ Private Banking	Global Wholesale Banking	Global Treasury and Markets	Insurance	Others	Group
At 30 June 2023						
Segment assets	139,099	192,506	132,825	107,599	42,743	614,772
Unallocated assets						720
Elimination						(31,052)
Total assets						584,440
Segment liabilities	195,406	153,248	91,918	99,828	19,891	560,291
Unallocated liabilities						1,281
Elimination						(31,052)
Total liabilities						530,520
Other information:						
Gross non-bank loans	105,007	189,066	2,431	4	848	297,356
Non-performing assets	827	2,436	–	2	10	3,275
At 31 December 2022 (Restated)						
Segment assets	138,516	189,710	111,171	105,311	40,363	585,071
Unallocated assets						722
Elimination						(28,610)
Total assets						557,183
Segment liabilities	178,248	152,092	76,865	97,624	27,314	532,143
Unallocated liabilities						1,266
Elimination						(28,610)
Total liabilities						504,799
Other information:						
Gross non-bank loans	106,769	185,629	1,737	3	842	294,980
Non-performing assets	886	2,591	–	2	7	3,486

14. Segment information *(continued)*

14.1 Business segments *(continued)*

OCBC Group's businesses are presented in the following customer segments and business activities: Global Consumer/Private Banking, Global Wholesale Banking, Global Treasury and Markets and Insurance.

Global Consumer/Private Banking

Global Consumer/Private Banking provides a full range of products and services to individual customers. At Global Consumer Banking, the products and services offered include deposit products (checking accounts, savings and fixed deposits), consumer loans (housing loans and other personal loans), credit cards, wealth management products (unit trusts, bancassurance products and structured deposits) and brokerage services. Private Banking caters to the specialised banking needs of high net worth individuals, offering wealth management expertise, including investment advice and portfolio management services, estate and trust planning, and wealth structuring.

Global Wholesale Banking

Global Wholesale Banking serves institutional customers ranging from large corporates and the public sector to small and medium enterprises. The business provides a full range of financing solutions including long-term project financing, short-term credit, working capital and trade financing, as well as customised and structured equity-linked financing. It also provides customers with a broad range of products and services such as cash management and custodian services, capital market solutions, corporate finance services and advisory banking, and treasury products.

Global Treasury and Markets

Global Treasury and Markets is responsible for the management of the Group's asset and liability interest rate positions, engages in foreign exchange activities, money market operations, fixed income and derivatives trading, and offers structured treasury products and financial solutions to meet customers' investment and hedging needs. Income from treasury products and services offered to customers in Global Consumer/Private Banking and Global Wholesale Banking, is reflected in the respective business segments.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by the Bank's subsidiary Great Eastern Holdings Limited and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

Others

Others comprise mainly property holding, investment holding and items not attributable to the business segments described above.

Where there are material changes in the organisational structure and management reporting methodologies, segment information for prior periods is reclassified to allow comparability.

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14. Segment information (continued)

14.2 Geographical segments

	1H 2023	1H 2022
	S\$ million	S\$ million
		(Restated)
Total income		
Singapore	4,199	2,907
Malaysia	814	749
Indonesia	518	473
Greater China	875	755
Other Asia Pacific	149	119
Rest of the World	250	220
	6,805	5,223
Operating profit before allowances and amortisation		
Singapore	2,616	1,449
Malaysia	567	486
Indonesia	285	246
Greater China	472	350
Other Asia Pacific	110	82
Rest of the World	182	152
	4,232	2,765
Profit before income tax		
Singapore	2,397	1,456
Malaysia	590	533
Indonesia	207	174
Greater China	1,003	741
Other Asia Pacific	136	79
Rest of the World	(4)	113
	4,329	3,096
	30 Jun 2023	31 Dec 2022
	S\$ million	S\$ million
		(Restated)
Total assets		
Singapore	343,106	321,002
Malaysia	60,758	64,810
Indonesia	22,957	21,166
Greater China	95,260	93,295
Other Asia Pacific	21,117	20,284
Rest of the World	41,242	36,626
	584,440	557,183

The geographical segment analysis is based on the location where assets or transactions are booked. The geographical information is stated after elimination of intra-group transactions and balances.

15. Fair values of financial instruments

15.1 Valuation governance framework

The Group has an established governance framework with respect to the measurement of fair values, which includes formalised processes for the review and validation of fair values independent of the businesses entering into the transactions.

The Market Risk Management (MRM) function within the Group Risk Management Division (GRM) is responsible for the model validation process. Financial models are used to price financial instruments and to calculate value-at-risk (VaR). MRM ensures that the models used are fit for their intended purposes through internal independent validation and periodic review. MRM sources market rates independently for risk measurement and valuation.

The Treasury Financial Control and Advisory – Valuation Control function within the Group Finance Division is responsible for the establishment of the overall valuation control framework. This includes, but is not limited to, reviewing and recommending appropriate valuation adjustment methodologies, independent price testing, and identifying valuation gaps.

Valuation policies are formulated and reviewed annually by the Valuation Control function, and approved by the Market Risk Management Committee, the Group Chief Executive Officer (CEO) and Board Risk Management Committee (BRMC). Valuation adjustments are applied to account for input parameter uncertainties, known model deficiencies and other factors that may affect valuation. The main valuation adjustments are described below.

Bid Offer Adjustments

When the position is marked at mid-price, bid offer adjustment is applied to account for close out cost.

Model Adjustments

Model adjustments are applied when there are inherent limitations in the valuation models used by the Bank.

Day 1 Profit or Loss Adjustments

Day 1 profit or loss adjustments are applied when the valuation technique involves the use of significant inputs which are not readily observable. The difference between the fair value at initial recognition and the transaction price is deferred as an adjustment.

The Day 1 profit or loss adjustments are released to the income statement when the significant inputs become observable, when the transaction is derecognised or amortised over the life of the transaction.

Credit Valuation Adjustments

Credit valuation adjustments are applied to account for the expected losses due to counterparty default on derivative positions.

Collateral Valuation Adjustments

Collateral valuation adjustments are applied when a derivative is denominated and discounted using a curve in the same currency but is collateralised in another currency.

Parameter Uncertainty Adjustments

These valuation adjustments mainly include adjustments for illiquid prices or internal methodologies used to derive model inputs.

The Group's internal audit provides independent assurance on the respective divisions' compliance with the policy.

15. Fair values of financial instruments *(continued)*

15.2 Fair values

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. For financial assets and liabilities not carried at fair value on the financial statements, the Group has determined that their fair values were not materially different from the carrying amounts at the reporting date. The carrying amounts and fair values of financial instruments of the Group are described below.

Financial assets

Fair values of cash and balances with central banks, placements with banks, interest and other short term receivables are expected to approximate their carrying amounts due to their short tenor or frequent re-pricing.

Securities held by the Group, comprising government securities and debt and equity securities are substantially carried at fair value on the balance sheet.

Non-bank customer loans are mainly carried at amortised cost on the balance sheet, net of allowances for impaired and non-impaired loans. The Group deems that the carrying amounts of non-bank loans approximate their fair values as substantially all the loans are subject to frequent re-pricing.

Financial liabilities

Fair value of certain financial liabilities, which include mainly customer deposits with no stated maturity, interbank borrowings and borrowings under repurchase agreements, are expected to approximate their carrying amounts due to their short tenor. For non-bank customer term deposits, contractual or derived cash flows are discounted at market rates as at reporting date to estimate the fair values, which approximate the carrying amounts.

The fair values of the Group's subordinated term notes and covered bonds are determined based on quoted market prices and independent broker offer prices. For other debts issued which are usually short term, the fair values approximate the carrying amounts.

15.3 Fair value hierarchy

The Group determines the fair values of its financial assets and liabilities using various measurements. The different levels of fair value measurements are as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable market data either directly (i.e. as prices) or indirectly (i.e. derived from observable market data). The valuation techniques that use market parameters as inputs include, but are not limited to, yield curves, volatilities and foreign exchange rates; and
- Level 3 – inputs for the valuation that are not based on observable market data.

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15. Fair values of financial instruments (continued)

15.3 Fair value hierarchy (continued)

The following table summarises the Group's assets and liabilities measured at fair values subsequent to initial recognition by level of the fair value hierarchy:

S\$ million	GROUP							
	30 Jun 2023				31 Dec 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Recurring fair value measurements								
Financial assets measured at fair value								
Placements with and loans to banks	2,302	16,449	–	18,751	2,222	10,980	–	13,202
Debt and equity securities	22,066	7,493	3,089	32,648	18,453	5,869	3,381	27,703
Loans to customers	–	–	10	10	–	–	23	23
Derivative receivables	44	18,186	513	18,743	117	15,141	347	15,605
Government treasury bills and securities	32,030	5,950	–	37,980	34,096	4,315	–	38,411
Life insurance fund investment securities and other assets	53,991	27,003	2,901	83,895	51,460	25,442	3,256	80,158
Total	110,433	75,081	6,513	192,027	106,348	61,747	7,007	175,102
Non-financial assets measured at fair value								
Life insurance fund investment properties and asset held for sale	–	–	1,868	1,868	–	–	1,954	1,954
Associates	–	–	124	124	–	–	122	122
Total	–	–	1,992	1,992	–	–	2,076	2,076
Financial liabilities measured at fair value								
Derivative payables	91	18,129	631	18,851	103	15,662	283	16,048
Trading portfolio liabilities	292	–	–	292	212	–	–	212
Debt issued	–	1,306	–	1,306	–	1,040	–	1,040
Life insurance fund financial liabilities	8	314	–	322	22	253	–	275
Total	391	19,749	631	20,771	337	16,955	283	17,575

During the financial year, the Group transferred financial assets from Level 2 to Level 1 as prices became observable arising from increased market activity. Financial assets were also transferred from Level 1 to Level 2 when quoted prices become unobservable arising from reduced market activity.

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15. Fair values of financial instruments (continued)

15.3 Fair value hierarchy (continued)

Valuation techniques and unobservable inputs for Level 3 instruments

GROUP S\$ million	Fair value at 30 Jun 2023	Classification	Valuation techniques	Unobservable inputs
Financial assets				
Equity securities	3,089	FVTPL/FVOCI	Net asset value/ Multiples/Discounted cash flows	Value of net asset/ Earnings and multiples/Cash flows and discount rate
Loans to customers	10	FVTPL	Discounted cash flows	Cash flows and discount rate
Derivative receivables	513	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Interest rate
Life insurance fund investment securities and other assets	2,901	FVTPL/FVOCI	Income approach/Net asset value	Risk adjusted discount rate/Value of net asset
Total	6,513			
Financial liabilities				
Derivative payables	631	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Interest rate
Total	631			

Movements in Level 3 financial assets and liabilities

GROUP S\$ million	Debt and equity securities	Loans to customers	Derivative receivables	Life insurance fund investment securities and other assets	Total
Financial assets measured at fair value					
At 1 January 2023	3,381	23	347	3,256	7,007
Purchases	31	–	41	729	801
Settlements/disposals	(158)	(47)	(28)	(1,085)	(1,318)
Transfers out ⁽¹⁾	(158)	–	–	–	(158)
Gains/(losses) recognised in					
- profit or loss	53	34	151	1	239
- other comprehensive income	(60)	–	2	(#)	(58)
At 30 June 2023	3,089	10	513	2,901	6,513
Unrealised gains included in profit or loss for assets held at the end of the period	51	64	516	6	637

⁽¹⁾ Relates to transfers from Level 3 to Level 2 due to use of inputs based on market observable data.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

15. Fair values of financial instruments (continued)

15.3 Fair value hierarchy (continued)

Movements in Level 3 financial assets and liabilities (continued)

GROUP S\$ million	Debt and equity securities	Loans to customers	Derivative receivables	Life insurance fund investment securities and other assets	Total
Financial assets measured at fair value					
At 1 January 2022	1,172	47	812	2,552	4,583
Purchases	519	46	43	600	1,208
Settlements/disposals	(14)	(27)	(41)	(335)	(417)
Transfers in ⁽¹⁾	1,729	–	51	549	2,329
Gains/(losses) recognised in					
- profit or loss	(24)	(43)	(520)	(106)	(693)
- other comprehensive income	(1)	#	2	(4)	(3)
At 31 December 2022	3,381	23	347	3,256	7,007
Unrealised (losses)/gains included in profit or loss for assets held at the end of the year	(24)	(22)	152	(47)	59

⁽¹⁾ Relates to transfers from Levels 1 and 2 to Level 3 due to use of inputs not based on market observable data.

GROUP S\$ million	2023		2022	
	Derivative payables	Total	Derivative payables	Total
Financial liabilities measured at fair value				
At 1 January	283	283	640	640
Issues	64	64	59	59
Settlements/disposals	(43)	(43)	(143)	(143)
Transfers in ⁽¹⁾	–	–	39	39
Losses/(gains) recognised in				
- profit or loss	325	325	(314)	(314)
- other comprehensive income	2	2	2	2
At 30 June/ 31 December	631	631	283	283
Unrealised losses included in profit or loss for liabilities held at the end of the period	(673)	(673)	(351)	(351)

⁽¹⁾ Relates to transfers from Level 2 to Level 3 due to use of inputs not based on market observable data.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

15. Fair values of financial instruments (continued)

15.3 Fair value hierarchy (continued)

Movements in Level 3 non-financial assets

GROUP S\$ million	2023			2022		
	Life insurance fund investment properties and asset held for sale ⁽¹⁾	Associates ⁽²⁾	Total	Life insurance fund investment properties and asset held for sale ⁽¹⁾	Associates ⁽²⁾	Total
Non-financial assets measured at fair value						
At 1 January	1,954	122	2,076	1,884	95	1,979
Purchases	–	8	8	1	–	1
Settlements/disposals	(92)	–	(92)	–	–	–
Gains/(losses) recognised in						
- profit or loss	20	–	20	91	24	115
- other comprehensive income	(14)	(6)	(20)	(22)	3	(19)
At 30 June/31 December	1,868	124	1,992	1,954	122	2,076

⁽¹⁾ The fair value of investment properties and asset held for sale is determined based on a combination of income approach, comparison approach and capitalisation approach under Level 3 fair value measurements.

⁽²⁾ The fair value of investment in associate is determined based on market approach under Level 3 fair value measurements.

Other Information Required by Listing Rule Appendix 7.2

OTHER INFORMATION

1. Review

The condensed interim financial statements, comprising the balance sheets of Oversea-Chinese Banking Corporation Limited (the Bank) and its subsidiaries (the Group) as at 30 June 2023 and the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity for Group and Bank and consolidated cash flow statement for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of the performance of the Group for the six-month period ended 30 June 2023

Please refer to the “Media Release” section.

3. Dividend information

Please refer to “Letter to Shareholders”.

4. Interested person transactions

The Bank has not obtained a general mandate from shareholders for Interested Person Transactions pursuant to Rule 920(1) of the Listing Manual.

5. Undertaking from directors and executive officers

The Bank has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual pursuant to Rule 720(1) of the Listing Manual.

CONFIRMATION BY THE BOARD

We, Andrew Lee Kok Keng and Helen Wong Pik Kuen, being directors of Oversea-Chinese Banking Corporation Limited ("the Bank"), do hereby confirm on behalf of the Board of Directors of the Bank, that to the best of our knowledge, nothing has come to our attention which may render the unaudited financial results of the Bank and of the Group for the half year ended 30 June 2023 to be false or misleading.

On behalf of the Board of Directors



Andrew Lee Kok Keng
Chairman



Helen Wong Pik Kuen
Group Chief Executive Officer / Director

3 August 2023